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Date: March 31, 2008
Subject: Annual Housing Element Report
Pages: 9 plus cover

Comments: Here is the City of Porterville's annual Housing Element report for 2007. Hard copy is in the mail. Let me know if you have any questions. Thanks.
Denise

Community Development Department

**City of Porterville
Annual Progress Report on
Implementation of the Housing Element
March 31, 2008**

Jurisdiction: City of Porterville

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Report Period: July 2006 to December 2007*

A. Progress in meeting Regional Housing Need

1. Total number of new housing permits issued:

219, including 5 permits for multifamily that represent 72 units

2. Describe the affordability, by income level of new units including the number of deed restricted affordable housing units:

| | |
|-----------------------|-----|
| Very Low | 52 |
| Low | 30 |
| Moderate | 111 |
| Above Moderate | 93 |
| Deed Restricted Units | 65 |

3. Compare units added to regional housing need allocation by income category (very low, lower, moderate, and above moderate)

*Report had previously been on fiscal year basis so the second half of 2006 needed to be included in this report

| In- come Level | 2001- 2003* Single Family Produc- tion | 2001- 2003* Multi- family Produc- tion | 2003/04- 04/05 Single Family Produc- tion | 2003/04 - 04/05 Multi Family Produc- tion | 2005/06 Single family Pro- duc- tion | 2005/06 Multi family Pro- duc- tion | 2006/ 07 Sin- gle fam Pro- duc- tion | 2006/ 07 Multi fam Pro- duc- tion | Total | Allo- cation per Region- al Hous- ing Needs | Re- main- ing Need |
|------------------------|---|---|--|--|---|--|---|---|-------|--|-----------------------------|
| Very Low | 0 | 76 | 3 | 0 | 0 | 0 | 0 | 52 | 131 | 1,029 | 898 |
| Low | 179 | 101 | 239 | 68 | 40 | 21 | 10 | 20 | 678 | 714 | 36 |
| Mod- erate | 103 | 0 | 276 | 9 | 83 | 21 | 111 | 0 | 603 | 392 | (211) |
| Above Mod- erate | 40 | 0 | 29 | 0 | 64 | 0 | 93 | 0 | 226 | 1,318 | 1,092 |
| Total | 322 | 177 | 547 | 77 | 187 | 42 | 214 | 72 | 1638 | 3,453 | 1,815 |

*statistics taken from table 4-2 in the 2003-2008 Housing Element minus units that were completed and counted in 2003-04

B. The effectiveness of the housing element in attainment of the community's housing goals and objectives.

Implementation of each program in housing element:

A. Goal: To preserve the existing housing stock and conserve existing affordable housing opportunities.

A.1 Home Rehabilitation Program

The City continues to administer the Owner Occupied Housing Rehabilitation Program (HRLP) utilizing HOME and CDBG funds. Seven (7) projects were completed in 2007 and there are seven (7) projects currently in process. After amending the HRLP guidelines last year to include additional assistance for homes built before 1978 by implementing the restrictive lead based paint requirements, several larger projects have been undertaken. A 2006 HOME grant is helping to fund additional rehab projects.

A.2 Preservation of Affordable Rental Housing

Staff continues to monitor at-risk projects annually and communicates with the property owners and managers regarding the status of the project. Currently, there are none in danger of converting to market-rate rents. Staff also works closely with the Housing Authority of Tulare County on the Section 8 program and monitors changes in the program.

Due to health and safety concerns, it became necessary in 2006-2007 to close the Porterville Hotel, the Single Room Occupancy Project on Main Street. Feasibility studies and discussions are continuing with the owner and the California Department of Housing and Community Development to determine the best course of action in order to replace the affordable units removed from the market.

- B. Goal: To provide adequate residential sites through appropriate land use designation and zoning to accommodate the City's share of regional housing need.**

B.1 Vacant and Underutilized Sites Inventory

Staff keeps an undated inventory of sites available and recently adopted the new General Plan which identified additional areas. The General Plan update was an extensive public participatory process with several public meetings held and newsletters published. Additionally, an advisory committee met regularly to focus on the issues involved and developed recommendations to the City Council that were incorporated into the new General Plan.

Staff has also been working on identifying infill and mixed use sites and has actively been pursuing funding specifically for infill housing development. There currently is a developer of multi-family housing that is submitting an application in the first round of the Infill Infrastructure Grant Program for a project within the Porterville Redevelopment Project Area Number 1.

B.2 Annexation

The two annexations identified in the Housing Element have been completed. Upon completion of the Gibbons/Indiana annexation, the Sierra Meadows subdivision was approved and in 04/05 thirty (30) homes in the moderate to above moderate income category were constructed in Phase 1. In 05/06, another twenty six (26) permits were issued with full build out of Phase 1 and Phase 2 to

be 117 homes. The Tentative Subdivision Map for the development of ninety (90) homes in two phases has been approved for the Burns property which was part of the Matthew annexation.

In 05/06, the City completed the annexation of several county islands in the City which brought 678 acres and approximately 5,800 people into the City. Some of the land within these annexations is vacant and has been added to the inventories of available sites. Over the past year, several homes in these areas that are now eligible for City's assistance participated in the First Time Homebuyer Program, the Housing Rehabilitation Program, and Public Utility Assistance Program.

B.3 Mixed-Use Development

The St. James Place Project, with both residential and commercial units, was completed in 2005 and continued to have high occupancy levels during the 06/07 fiscal year. This HOME/Redevelopment rental project developed fourteen (14) units of low income housing above and behind Main Street commercial space. Staff monitors this project for compliance with affordability covenants and other requirements. Staff has met with potential developers for additional mixed use projects and is in the process of identifying possible funding sources.

B.4 Infill Development

Staff is continuing the process of developing various incentives to encourage infill development. Two years ago the City purchased vacant blighted property on the southwest corner of Date and "A" Street with HOME Program Income and then sold the property to a developer to produce three units of single family affordable housing. The homebuyers received downpayment assistance from the City utilizing HOME Program Income with long term affordability covenants recorded on the program. The same developer purchased adjacent property where a dilapidated home was removed and completed the construction of a duplex that was purchased by a participant in the First Time Low Income Homebuyer Program.

In 2005, the City was awarded a \$1,000,000 HOME grant for a 64 unit multifamily development that also was awarded low income tax credits. Sequoia Village at River's Edge is located on an infill site in the Redevelopment Area adjacent to the Tule River and the Union Pacific railroad tracks. Permits were issued and

construction initiated in 06/07. A Payment In Lieu of Property Taxes Agreement was executed with the developer and a Redevelopment Regulatory Agreement with affordability covenants on the 63 units was recorded. The construction of the complex was completed in December 2007 and was immediately fully occupied.

As mentioned above, the City is in the process of working with another developer on a 70 unit multi-family project to be located on one of the remaining vacant parcels within the Redevelopment Area. This parcel is located much closer to the Central Business District than Sequoia Village at River's Edge. The complex will hopefully provide a considerable percentage of the one bedroom units needed to replace the units lost at the Porterville Hotel.

Goal C: To expand the City's low-and moderate-income housing opportunities.

C.1 Home Buyer Assistance

First Time Low Income Home Buyer Program (FTHB): In fiscal year 06/07, twenty three (23) low income households were assisted with silent second mortgages to purchase their first homes, and in the remaining months of 2007, another fifteen (15) households were assisted. The City utilized HOME grant funds, HOME program income, CalHome program income, and Redevelopment low and moderate income housing funds to assist these households.

The City completed the expenditure of the 2004 Home grant for \$1,200,000 and has nearly expended all of the 2005 \$500,000 CalHome grant and a 2006 \$600,000 HOME grant for FTHB.

Affordable Ownership Housing Development: Several of the homes in the Casas Buena Vista subdivision were re-sold to new First Time Low Income Homebuyers. The Casas Buena Vista Subdivision was developed under a Disposition and Development Agreement (DDA) between the Porterville Redevelopment Agency and Casas Buena Vista Housing Group, LLC. The HELP loan from CalHFA that was utilized for acquisition and construction financing was paid back in full after the final accounting and profit sharing from the DDA was complete.

All of the eighty two (82) homes in the subdivision have recorded affordability covenants ranging from twenty (20) to forty five (45) years, depending on the source of financing utilized. The project

has been a great success, providing homeownership to both very low and low income households, a great number of which are farm laborers. The City and the Developer have been discussing other possible affordable housing developments in other areas of the city.

As stated previously, the City also utilized HOME Program Income to purchase blighted vacant property in close proximity to the Casas Buena Vista subdivision that was being used as a storage yard. A Request for Proposal (RFP) was distributed by the City and a Disposition and Development Agreement was executed with the developer who built three units of single family affordable housing on the site.

C.2 Home Buyer Education Classes

The City continued sponsoring monthly home buyer education classes in both English and Spanish. These are nine hour sessions conducted over a three night period that must be completed in order to be eligible for the City home buyer assistance. During 2007, family members from over one hundred fifty (150) households completed the education and were given certificates.

C.3 Mortgage Credit Certificates

The City continues to be a participant in the County Mortgage Credit Certificates (MCC) Program administered by the Housing Authority of Tulare County. The City plans to coordinate with them in helping to promote the program through the homebuyer education classes.

C.4 Lease-to-own Program

The Pacific Housing and Finance Agency (PHFA) administering this program encountered some problems with the IRS regarding the bond issue that was used to finance the program, so until the issues are resolved, the lease-to-own program was temporarily suspended. PHFA is looking at several other options for assisting in providing affordable housing. The City has not received any recent notification from PHFA regarding the program.

C.5 Section 8 Rental Assistance

The City continues to cooperate and coordinate with the Housing Authority of Tulare County on the Section 8 program. In 2007, five hundred and seventy nine (579) households were assisted with

Section 8 vouchers and certificates which accounted for nearly \$3 million dollars in the Porterville area. Staff also works cooperatively with the housing authority staff on their home buyer education classes that are targeted to Section 8 and other public housing participants in order to transition them into homeownership and consequently open up the public housing to more households on the waiting list.

C.6 Local, State, and Federal Funding

The City continues to leverage resources with local, state, and federal funds. Staff works closely with developers on Low Income Housing Tax Credit projects and during the year construction was completed on the Sequoia Village at River's Edge 64 unit apartment complex in the Redevelopment Project Area. As stated above, the City also received a 2005 award of CalHOME funds for continuation of the First Time Low Income Homebuyer Program and was awarded a 2006 HOME grant for the First Time Homebuyer Program and Housing Rehabilitation Program. As previously stated, the City is also utilizing HOME program income for the production of affordable housing. Staff is constantly working on identifying projects for future rounds of funding.

Goal D: To address the housing needs of special populations.

D.1 Emergency Shelter and Transitional Housing

D.2 Housing for persons with Disabilities

Since this Housing Element was adopted in May 2004, there has been little action in these areas mainly because the proposed zoning amendments and development standards to address these issues are tied directly to the extensive General Plan update that was recently adopted. The first step in the implementation of the General Plan is a complete update of the zoning code which is in process and will address these two issues. However, there has been a great deal of discussion regarding the development of housing solutions for the homeless with the City taking a very active role in the Kings/Tulare Continuum of Care on homelessness.

Goal E: To assure that all present and future residents have equal access to housing, commensurate with the financial capacity, without discrimination.

E.1 Fair Housing

In May of 2004, the City adopted the updated Analysis of Impediments to Fair Housing Choice (AI) that identifies the potential impediments in the public and private sectors and pursues measures to mitigate the identified impediments.

Staff continues to post fair housing posters and provide referral information in public locations and directly to inquiring citizens.

Staff has been working with the website administrator on incorporating many of the housing services and resources, however, there have been problems with the basic layout of the website which staff is continuing to work on to resolve and to make the site much more user friendly. Since this is a City wide website and incorporates many departments, some of the management of the site is out of the control of the Community Development Department. Although some items and links were added to the website in 2007, there are many additional services that staff would like to add and are in the process of pursuing. There is now discussion of a complete overhaul of the City website, but now with the budget difficulties, this action may be delayed.

Staff has been in discussion with other surrounding cities regarding the fair housing issues and is currently planning a Housing Opportunity Fair and Foreclosure Workshop that will provide information and resources regarding fair housing.

Goal F: To reduce governmental constraints to the development, improvement, and preservation of housing, particularly to housing affordable to lower and moderate income households.

F.1 Zoning Ordinance Revisions

In 2007 the City Council adopted a Zoning Ordinance Amendment to address the following issues identified in the Housing Element: the definition of "Family", the Residential Agricultural (R-A) Zone, and density bonus law. As discussed above, emergency shelters, transitional housing, and ADA requirements will be addressed in the complete update of the Zoning Ordinance that is now in progress after the adoption of the updated General Plan.

Goal G: To ensure Adequate Services to Infrastructure and Housing.

G.1 Infrastructure Improvements

Staff continues to evaluate projects and resources available to determine the possibility of providing leverage for infrastructure improvements that facilitate the development of affordable housing. This is part of the negotiation with the proposed seventy (70) unit multi-family project which is applying for the new Infill Infrastructure Grant Program and will be applying with the City for HOME funds later in the year. Staff will be reviewing additional projects and areas for possible application for future Infill Infrastructure Grant Funds and continue to look for any other funding sources for these improvements.

C. Progress toward mitigating governmental constraints identified in the housing element.

As stated in detail above, many of the constraints have been mitigated by amendment to the Zoning Ordinance.



FAX COVER SHEET
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TO: *Melinda Coy of HCD*# PAGES: *15*FAX #: *916-327-2643*DATE: *4/1/08*

| | | | |
|---|--|--|--|
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| CASEY McCANN Assist. Director, Com. Dev. | ERIK NOLTHENIUS Principal Planner | STEVE FOX Plan Checker | DONALD KWONG Redevelopment Analyst |
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| TAIRA ORDAZ Permit Technician | | ROBBIE BIENEMANN Code Enforcement Officer | LAURIE MONTE Code Enforcement Officer |

Melinda,

COMMENTS: *Enclosed is the City's Housing Element Progress Report. This report covers the period July 1, 2006 - December 31, 2007. Let us know if there are any questions or need for additional information.*

Winston